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Chair: Mr. Brennan ..... (Ireland)

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The meeting was called to order at 10.50 a.m.

Organization of work

1. **The Chair** said that the Committee would be discussing items 7-21 of the Conference agenda. On a number of draft decisions for consideration by the Committee, consensus had already been reached in informal consultations; those texts were contained in document GC.15/CRP.2. Four draft resolutions that had been submitted during those consultations were also contained in that document. Some other proposed texts had recently been circulated informally; they included a draft text concerning item 10 (b), which was contained in paragraph 18 of document GC.15/14, and two others, concerning item 14, "Lima Declaration and Plan of Action 2013", and item 17, "UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries". The Committee would also be required to adopt a decision on item 21, "Date and place of the sixteenth session".

2. He requested participants to refrain from making statements of princ le and only to comment on the specific texts under consideration, in order to enable the Committee to proceed quickly.

Election of officers

3. **The Chair** said it had been suggested that the Vice-Chairs be nominated by the African Group, the Asian Group, the Group of Latin American and Caribbean States (GRULAC) and the States in List D. He understood that the African Group had nominated Mr. Chemakh (Algeria), GRULAC Mr. Fletcher (Saint Lucia) and the States in List D Mr. Voronkov (Russian Federation).

4. *Mr. Chemakh (Algeria), Mr. Fletcher (Saint Lucia) and Mr. Voronkov (Russian Federation) were elected Vice-Chairs of the Committee by acclamation.*

UNIDO activities related to the Vienna Ministerial Declaration and Plan of Action of the Least Developed Countries and to cooperation with middle-income countries (GC.15/8 and GC.15/9)

5. **Mr. Asfaw** (Ethiopia), speaking on behalf of the least developed countries (LDCs), introduced a draft resolution submitted by the Ministerial Conference of the Least Developed Countries. In the draft resolution, the LDCs stressed that poverty eradication remained their central imperative and that inclusive growth would not be possible without systematic and structural changes in the LDCs and the necessary international support. The LDCs renewed their commitment to structural transformation of their economies with a view to achieving sustainable development with the support of development partners, and invited all development partners to give UNIDO adequate funding in order to ensure the full implementation of its operational strategy for achieving inclusive and sustainable industrial development in the LDCs.

6. **The Chair** invited comments on the draft resolution.

7. **Ms. Algabre** (Philippines) expressed support for the draft resolution but sought clarification as to whether the Operational Strategy referred to in the second operative paragraph[1] was the UNIDO LDC Strategy and Operational Plan for the Least Developed Countries, 2012-2020, mentioned in General Conference resolution GC.14/Res.6 (see document GC.14/INF.4).

8. **The Chair** said that clarification would be provided when the Main Committee returned to its discussion of the draft resolution at a later stage.

Lima Declaration and Plan of Action 2013 (GC.15/13)

9. **Mr. García Revilla** (Peru) introduced a draft resolution entitled "UNIDO and the post-2015 United Nations development agenda negotiations", sponsored by Belarus, Costa Rica, Ecuador, Kazakhstan, Mexico and Peru. The draft text was intended to ensure that UNIDO remained seized of developments with regard to the post-2015 development agenda.[2]

10. **The Chair** invited comments on the draft resolution.

11. **Mr. Swaminathan** (India), stressing the importance of proper follow-up to the Lima Declaration, said that industrial development should be seen as a universal goal in the context of the post-2015

[1] For a better understanding of the discussion, see the text of the relevant draft resolution on item 17 subsequently approved by the Committee and reproduced in document GC.15/L.2/Add.1.

[2] See the text of the draft resolution on item 14 subsequently approved by the Committee (GC.15/L.2/Add.1).

development agenda. He therefore proposed that, the text should call for the appropriate reflection of industrial development as one of the goals in the relevant processes relating to the post-2015 agenda.

12. **The Chair** said that the draft resolution was still being discussed in informal consultations and would be dealt with in detail at a later stage.

Financial matters

(a) Scale of assessments of Member States (GC.15/CRP.2; IDB.41/6/Rev.1; IDB.41/Dec.9)

13. **The Chair** invited comments on the draft decision on agenda item 10 (a) contained in chapter II.A of document GC.15/CRP.2.

14. *The draft decision on agenda item 10 (a) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

(b) Financial situation of UNIDO (GC.15/11; GC.15/CRP.1 and GC.15/CRP.2)

15. **The Chair** invited comments on the draft decision on item 10 (b) in document GC.15/CRP.2.

16. *The draft decision on item 10 (b) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

(c) Working Capital Fund (GC.15/CRP.2; IDB.41/7; IDB.41/Dec.10)

17. **The Chair** invited comments on the draft decision on item 10 (c) in document GC.15/CRP.2.

18. *The draft decision on item 10 (c) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

(d) Financial regulations (GC.15/CRP.2; IDB.41/14; IDB.41/Dec.11)

19. **The Chair** invited comments on the draft decision on item 10 (d) in document GC.15/CRP.2.

20. *The draft decision on item 10 (d) in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

Programme and budgets, 2014-2015 (GC.15/CRP.2; IDB.41/5 and Add.1; IDB.41/Dec.12)

21. **The Chair** invited comments on the draft decision on item 11 in document GC.15/CRP.2.

22. **Mr. Barrera López** (Spain) proposed that the following words be added at the end of paragraph (a) of the draft decision: "and requests the Director General to brief the Member States regularly and to report to the Board at its forty-second and forty-third sessions through the Programme and Budget Committee on its implementation." The words "Takes note" alone did not express the action sought by Member States.

23. **Mr. Colapinto** (Italy), expressing support for that proposal, said that it would be useful for Member States to learn how implementation of the measures set out in the draft decision would ensure that the future activities of UNIDO were financially more sustainable.

24. **Mr. Uskov** (Russian Federation) said that, while his delegation supported the proposal made by the representative of Spain, it would like clarification as to how such reporting should best be done.

25. **Mr. Yamamoto** (Japan) and **Mr. Otruba** (Slovakia) endorsed the comments of the previous speakers.

26. **Mr. Ulbrich** (Director, Financial Services Branch) said that the Secretariat's reporting obligations with respect to financial matters were usually channelled through the Programme and Budget Committee to the Industrial Development Board. He expressed concern that if a deadline for reporting on the programme and budgets for the biennium 2014-2015 was set too early, the reporting would not reveal much. Since the next session of the Programme and Budget Committee would be in early 2014, he wondered how meaningful any information supplied would be.

27. **Mr. Uskov** (Russian Federation), supported by **Mr. Colapinto** (Italy) and **Mr. Barrera López** (Spain), said that, if it was feasible, reporting on initial progress would enable Member States to raise any questions they might have.

28. **The Chair** said that, if he heard no objection, he would take it that the Committee wished to adopt the amendment proposed.

29. *The draft decision on item 11 in document GC.15/CRP.2, as amended, was adopted for recommendation to the plenary.*

Medium-term programme framework (GC.15/CRP.2; IDB.41/8; IDB.41/Dec.13)

30. **The Chair** invited comments on the draft decision on item 12 in document GC.15/CRP.2.

31. **Ms. Mabitje-Thompson** (South Africa), supported by **Mr. Schmiedchen** (Germany) and **Ms. Polo Flórez** (Colombia), said that the medium-term programme framework should take into account the "Lima Declaration: Towards inclusive and sustainable industrial development".

32. **The Chair** suggested that the words "and the Lima Declaration" should be included following the words "entitled 'Strategic Guidance Document'" in paragraph (e) of the draft decision.

33. **Mr. Schmiedchen** (Germany) and **Mr. Uskov** (Russian Federation) thought that the reference to the Lima Declaration should appear before the reference to the Strategic Guidance Document.

34. **The Chair** suggested that the text should read "... taking into account the Lima Declaration, the recommendations of the outcome document ... 'Strategic Guidance Document' and".

35. **Mr. Schmiedchen** (Germany) proposed that the words "and, as appropriate," should be added before the words "the recommendations of the ... 'Strategic Guidance Document'".

36. **Mr. Matter** (Switzerland) thought that there was no need to add the words "and, as appropriate".

37. **Ms. Polo Flórez** (Colombia) said that the reference to the Lima Declaration should give the Declaration's full title. Secondly, she agreed with the representative of Switzerland: all the recommendations contained in the Strategic Guidance Document should be taken into account.

38. **Mr. Uskov** (Russian Federation) concurred. It would be sufficient to refer to the "recommendations of the outcome document ...".

39. **Mr. Radosztics** (Austria), supported by **Ms. Mabitje-Thompson** (South Africa), agreed, and asked which of the recommendations in the Strategic Guidance Document were not appropriate.

40. **Mr. Swaminathan** (India), supported by **Mr. Choi** Kicheon (Republic of Korea), said that the full title of the Lima Declaration should be used.

41. **Mr. Schmiedchen** (Germany) said that he withdrew his proposal. However, in his view, all recommendations relating to management should be implemented except those contradictory to the Lima Declaration.

42. **Mr. García Revilla** (Peru) said that the outcome of the informal working group on the future, including programmes and resources, of UNIDO was not in the same category as the Lima Declaration, a ministerial document with strong political content, which would be a landmark for the future of UNIDO. He therefore suggested that the two should be mentioned separately in the draft decision.

43. **The Chair** suggested dividing the various elements of paragraph (e) into separate clauses.

44. **Mr. Uskov** (Russian Federation) said that the reference to the Lima Declaration should be followed by the recommendations of the latest comprehensive policy review of operational activities for development and only then by the recommendations of the outcome document of the informal working group. The policy review, which related to the whole United Nations system, should take precedence over the UNIDO outcome document.

45. **Mr. Schmiedchen** (Germany) said that none of the other recommendations were on the same level as the Lima Declaration. He suggested that the text following the reference to the Lima Declaration should become a new paragraph.

46. *The draft decision on item 12 entitled "Medium-term programme framework" contained in document GC.15/CRP.2, subject to the various amendments indicated above, was adopted for recommendation to the plenary.*

Personnel matters, including UNIDO Staff Pension Committee (GC.15/CRP.2; IDB.41/19; IDB.41/Dec.15)

47. *The draft decision on item 19 in document GC.15/CRP.2 was adopted for recommendation to the plenary.*

Outcome document of the informal working group on the future, including programmes and resources of UNIDO entitled "Strategic Guidance Document" (GC.15/CRP.2; IDB.41/24)

48. **The Chair** said that the draft decision entitled "Strategic Guidance Document", contained in chapter II.B of document GC.15/CRP.2, had been submitted by the delegations of Costa Rica and Switzerland.

49. **Mr. Matter** (Switzerland) said that the draft decision was the product of long discussions which had also provided the basis for Industrial Development Board decision IDB.41/Dec.14 and, indeed, for the Lima Declaration itself. The draft resolution contained a number of operational recommendations that might be too technical for inclusion in the Lima Declaration.

50. **Mr. Saenz** (Costa Rica) said that, as a product of the informal working group on the future, including programmes and resources, of UNIDO, the draft echoed the request in decision IDB.41/Dec.14 that the Director General should take account of the "Strategic Guidance Document" as a contribution to the medium-term programme framework.

51. **Mr. Schmiedchen** (Germany) said that his delegation supported the draft decision, especially paragraph (c), which endorsed "the recommendations contained in paragraphs 11 to 18 of the 'Strategic Guidance Document'".

52. **Ms. Polo Flórez** (Colombia), speaking on behalf of the Group of 77 and China, endorsed the draft decision and wished to co-sponsor it. Speaking on behalf of Colombia, she suggested an amendment to clarify what the recommendations contained in paragraphs 11 to 18 of the "Strategic Guidance Document" were. She suggested the following text:

> "(c) Endorses the management criteria and recommendations contained in the 'Strategic Guidance Document' and requests the Director General to report on its implementation."

53. **Mr. Schmiedchen** (Germany) said that the words "in paragraphs 11 to 18" were important. His delegation could only support those paragraphs of the "Strategic Guidance Document". Alternatively, the wording "the recommendations relating to management criteria" could be used.

54. **Ms. Polo Flórez** (Colombia) thought that, since paragraphs 11 to 18 were those concerning management criteria, the reference to the paragraph numbers was unnecessary.

55. **Mr. Matter** (Switzerland) suggested that the words "its implementation" in the proposed amendment should be replaced by the words "their implementation".

56. *It was so agreed.*

57. *The draft decision on the "Strategic Guidance Document", as amended, was adopted for recommendation to the plenary.*

UNIDO activities related to energy and the environment (GC.15/5 and GC.15/6; GC.15/CRP.2)

58. **Mr. Zholamanov** (Kazakhstan), introducing the draft resolution entitled "Partnerships for inclusive and sustainable industrial development" in document GC.15/CRP.2, said that Belarus, the Russian Federation, Ukraine and the Group of 77 and China had become sponsors of the draft resolution.

59. A number of amendments had been suggested, following informal consultations. In the title, the phrase "Partnerships for" should be replaced by the phrase "Partnerships towards", for consistency with the Lima Declaration. Similarly, the word "towards" should replace the words "with a view to" in operative paragraph (a), the word "towards" should replace the word "on" in paragraph (b) and the phrase "in order to promote" in paragraph (c) should be replaced by the phrase "towards promoting". In the first line of the fourth preambular paragraph, the words "and green" should be deleted, and in operative paragraph (c) the word "green" should be replaced by the word "sustainable". Also in paragraph (c), the word "should" in the second sentence should be replaced by the word "may" and the phrase "such as" should be replaced by the words "among others".

60. **Ms. Mabitje-Thompson** (South Africa) proposed the addition in the first sentence of operative paragraph (c), after the words "inclusive and sustainable industrial development", of the words "to support production of green equipment and energy-saving technologies in developing countries".

61. **The Chair** wished to ask first whether there were any objections to the changes proposed by the representative of Kazakhstan.

62. **Ms. Mabitje-Thompson** (South Africa) said that she could agree to all those changes.

63. **Mr. Zholamanov** (Kazakhstan) suggested that the wording proposed by South Africa should be amended to read "inter alia, through support of production of green equipment and energy-saving technologies" and placed at the end of the sentence. Otherwise, the text might be misunderstood.

64. **Mr. Chemakh** (Algeria) supported the changes suggested.

65. **Mr. Deleuze** (Bolivarian Republic of Venezuela) said that he preferred the original text.

66. **Mr. Zholamanov** (Kazakhstan) reminded delegations that the original text had been the result of extensive informal consultations in Vienna.

67. **Mr. Uskov** (Russian Federation) thought that, in the interests of consensus, the text could be left in the form originally submitted.

68. **Mr. Radosztics** (Austria) said that Austria was flexible, but that the amendments proposed by South Africa referred to two specific things which were not the only factors leading to sustainable economic growth. It would be preferable to maintain the generic nature of the text. If the text was to refer to specific areas, the list should be comprehensive.

69. **Ms. Mabitje-Thompson** (South Africa) said it was true that the original text had been discussed informally in Vienna; however, she considered that, taking into account the mandate of UNIDO and the Lima Declaration, a discussion of sustainable economic growth in developing countries should include a reference to the production of energy-saving equipment and technologies.

70. **The Chair** suggested that interested delegations should hold informal consultations to try to arrive at a consensus.

71. He invited the Committee to turn to the second draft resolution under item 15 in chapter II.B of document GC.15/CRP.2 — namely, the draft entitled "UNIDO activities in energy and environment" submitted by the European Union (EU).

72. **Ms. Wrona** (Poland), introducing the draft resolution on behalf of the EU, said that UNIDO activities in energy and environment had accounted for 46 per cent of overall technical cooperation during the previous year and continued to attract by far the largest share of funding. UNIDO was thus contributing actively towards the Millennium Development Goals (MDGs), in particular Goal 7 on environmental sustainability, and the post-2015 development agenda. The Organization's endorsement of inclusive and sustainable industrial development in the Lima Declaration highlighted the relevance of UNIDO activities related to energy and environment. The EU recognized the positive initiatives carried out over the previous two years, and the draft resolution called for a results-based approach, with attention paid to the impact of those initiatives. In implementing projects on energy and environment, UNIDO should remain focused on its core mandate of industrial development. The draft resolution therefore concentrated on activities that were industry-related or served production or manufacturing uses. Lastly, UNIDO should work with Member States, the United Nations system and civil society to avoid duplication in the implementation of projects.

73. Over the previous two weeks the EU had engaged in consultations with Member States with regard to the draft resolution, and she thanked those Member States for their input. The EU had some changes to the text to propose. She was also happy to announce that the current text was co-sponsored by Ukraine and Switzerland.

74. **The Chair** asked what the changes proposed were.

75. **Mr. Colapinto** (Italy), speaking on behalf of the EU, said it was proposed that the first preambular paragraph should begin: "Considering the importance of progress towards the achievement of ...".

76. The second preambular paragraph should begin: "Acknowledging the necessity of appropriate consideration of the global commitment towards the achievement of inclusive and sustainable industrial development ...". That would align the language more closely with the language used in the Lima Declaration.

77. In the twelfth preambular paragraph, the phrase "particularly in middle-income countries" should be

deleted. The view had been expressed that the initiatives mentioned were useful for all Member States and that the paragraph should remain as general as possible. Moreover, there was another draft resolution relating specifically to middle-income countries.

78. In operative paragraph (e), the words "in line with" should be replaced by the words "while searching for possible synergies with existing regional initiatives, as, inter alia,". It was important to emphasize the need to seek synergies and partnerships, as pointed out in various statements made over the previous two days. Such partnerships included regional initiatives such as those referred to in the draft resolution submitted by Kazakhstan. The EU supported regional initiatives in energy and environment that were consistent with the mandate of UNIDO.

79. In operative paragraph (f), the phrase "in the Southern and Eastern partnership regions of the European Union" should be deleted and the words "in line with" in the fourth line should be replaced by ", as, for example,". Similar programmes existed in other regions and the paragraph should be made more general.

80. A new paragraph should be inserted under paragraph (j) reading: "To continue and strengthen UNIDO's active participation in the Global Mercury Partnership, in particular activities in artisanal gold mining and industrial applications". That would highlight the importance of UNIDO activities in the control of mercury pollution, which were funded primarily by the Global Environment Facility (GEF).

81. **The Chair** said that the first preambular paragraph might read better if it began: "Considering the importance of making progress towards ...". In operative paragraph (f), he suggested the wording "... expanding the application of the TEST methodology to other environmental hot spots in line with similar regional programmes including, for example, the European Union's SWITCH programme ...".

82. **Mr. Colapinto** (Italy), speaking on behalf of the EU, supported those changes.

The meeting rose at 1.33 p.m.